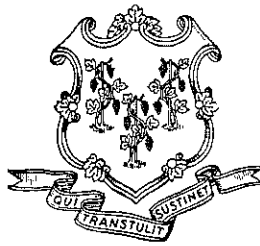


SENATOR CATHY OSTEN

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State of Connecticut
SENATE

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Veterans' Affairs Committee

Veterans' Affairs Committee
February 14, 2019
LOB 2C 10:00AM

In **SUPPORT** of Senate Bill 777
An Act Requiring a Study of Veterans' Tax Abatements

Chairman Maroney, Chairwoman Borer, and distinguished members of the Veterans' Affairs Committee, I am here to testify in **support** of Senate Bill 777, *An Act Requiring a Study of Veteran's Tax Abatements*.

My name is Cathy Osten and I represent the 19th Senate District, which includes the towns of Columbia, Franklin, Hebron, Lebanon, Ledyard, Lisbon, Marlborough, Montville, Norwich, and Sprague.

After speaking with several veterans throughout my district, I believe we need to study whether eligible veterans are receiving the full value of the local tax exemption benefits open to them as it was originally intended to be and that they also have earned. In some instances, eligible veterans receive a lesser benefit than our first responders because it is often based on assessment for veterans and just a straight abatement for first responders. A review of the current exemptions and abatements is needed in order to ensure that we treat both constituencies with historical parity. For your reference, I have included a response from the Office of Legislative Research concerning one of my constituents in the Town of Lebanon.

Thank you again for the opportunity to testify in **support** of Senate Bill 777. I look forward to working with the leadership and members of this committee on this bill's passage.



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eResponse

You asked for a comparison of property tax savings for a wartime veteran under certain income limits versus a volunteer first responder in Lebanon, CT (assuming the municipality has enacted the municipal options at the maximum allowable amount).

Wartime Veteran

Assuming the veteran had served in wartime and had an income under \$35,300 a year in 2018, he or she would be eligible for \$3,000 in wartime and income-based property tax exemptions (CGS §§ 12-81(19) & -81g). Additionally, under the local-option exemption, assuming the veteran owned a \$200,000 house, he or she would be eligible for an additional \$20,000 exemption (CGS § 12-81f, as amended by PA 18-102). The law allows the municipality to exempt up to \$20,000 or up to 10% of the assessed value, which in this example is the same. But if the value of the house was higher and the municipality chose to exempt 10%, the amount saved would also increase.

With all of the eligible exemptions, the veteran would have to pay property tax on \$177,000. With a mill rate of 29.4, he or she would owe \$5,203.80 in property taxes versus \$5,880 if there were no tax exemptions, for a savings of \$676.20.

Volunteer First Responders

State law allows a municipality's legislative body to provide, by ordinance, relief equal to \$1,000 in property taxes relief to volunteer first responders (e.g., volunteer firefighter) (CGS § 12-81w).

I hope this information is helpful. Please let me know if you have any additional questions.

Duke Chen
Office of Legislative Research